



FEDERAL PUBLIC SERVICE COMMISSION  
COMPETITIVE EXAMINATION-2025 FOR RECRUITMENT  
TO POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT

Roll Number

**BUSINESS ADMINISTRATION**

TIME ALLOWED: THREE HOURS	(PART-I MCQs) MAXIMUM MARKS: 20
PART-I (MCQs) : MAXIMUM 30 MINUTES	(PART-II) MAXIMUM MARKS: 80
NOTE: (i) First attempt PART-I (MCQs) on separate OMR Answer Sheet which shall be taken back after 30 minutes. (ii) Overwriting/cutting of the options/answers will not be given credit. (iii) There is no negative marking. All MCQs must be attempted.	

**PART-I (MCQs)(COMPULSORY)**

- Q.1. (i) Select the best option/answer and fill in the appropriate Box ■ on the OMR Answer Sheet.(20x1=20)  
(ii) Answers given anywhere else, other than OMR Answer Sheet, will not be considered.
- Which of the following is an essential element of effective decision-making in general management?  
(A) Considering the long-term implications of decisions on the organization's goals  
(B) Delegating decision-making responsibilities to subordinates  
(C) Relying solely on quantitative data for making decisions  
(D) None of these
  - Which of the following best describes the "contingency theory" of management?  
(A) There is one best way to manage organizations  
(B) The management style should be based solely on the size of the organization  
(C) The best management practices depend on the specific circumstances and variables at hand  
(D) None of these
  - In the context of decision-making, "bounded rationality" suggests that:  
(A) Managers make optimal decisions based on all available information  
(B) Decision-making is limited by the available information, cognitive limitations, and time constraints  
(C) Organizations always prioritize financial considerations when making decisions  
(D) None of these
  - Which of the following is a primary objective of "performance appraisals"?  
(A) To determine the amount of salary, increase an employee should receive  
(B) To assess employee progress in their personal goals only  
(C) To evaluate employee performance and provide constructive feedback for growth and development  
(D) None of these
  - Which of the following is the best strategy to reduce "employee turnover" in a high-turnover industry?  
(A) Providing employees with higher pay to attract more talent  
(B) Offering competitive benefits and career advancement opportunities to enhance job satisfaction  
(C) Reducing employee training to cut costs  
(D) None of these
  - Which of the following is the main objective of market segmentation?  
(A) To develop a uniform marketing strategy for all customers  
(B) To divide a broad target market into smaller, more manageable groups  
(C) To increase the total market size  
(D) None of these
  - Which of the following is a characteristic of the "introduction" stage of the product life cycle?  
(A) High competition and reduced prices  
(B) Increased profits due to mass production  
(C) High promotional costs to create awareness  
(D) None of these
  - Which of the following is the primary goal of the "lean production" philosophy?  
(A) To maximize inventory and buffer stock  
(B) To eliminate waste and improve efficiency  
(C) To focus on mass production and economies of scale  
(D) None of these
  - In the context of supply chain management, which of the following best describes the "bullwhip effect"?  
(A) The result of a well-synchronized supply chain process with minimal delays  
(B) The amplification of demand fluctuations as they move up the supply chain  
(C) The reduction of inventory costs across the entire supply chain  
(D) None of these
  - Which of the following is a limitation of the Payback Period method?  
(A) It considers all cash flows over life of project  
(B) It ignores the time value of money  
(C) It provides the exact profitability of the project  
(D) None of these
  - The purpose of financial markets is to:  
(A) Increase the price of common stocks  
(B) Lower the yield on bonds  
(C) Allocate savings efficiently  
(D) None of these
  - In the context of leadership styles, which of the following best describes the "transformational leadership" approach?  
(A) Focuses on task-oriented goals and rewards  
(B) Emphasizes control and compliance through authoritative power  
(C) Inspires and motivates employees to achieve higher levels of performance by creating a shared vision  
(D) None of these



## BUSINESS ADMINISTRATION

13. Which of the following is a key characteristic of "Laissez-Faire" leadership?  
(A) The leader has complete control over decision-making and enforces strict rules  
(B) Leaders are highly involved in day-to-day activities and tasks  
(C) Leaders provide minimal supervision and allow employees to make decisions independently  
(D) None of these
14. Which of the following is a key challenge when implementing diversity and inclusion initiatives in the workplace?  
(A) Increasing employee salaries to attract more diverse talent  
(B) Ensuring that all employees feel valued and included while minimizing resistance to change  
(C) Limiting recruitment to only one demographic group  
(D) None of these
15. The "4 Ps" of marketing (Product, Price, Place, Promotion) are associated with which concept in marketing?  
(A) Customer relationship management (B) Marketing Strategy (C) Brand positioning (D) None of these
16. Which of the following is an example of a "push" marketing strategy?  
(A) Offering special deals to customers who visit the website  
(B) Providing retailers with incentives to promote a product to customers  
(C) Using social media to engage customers directly  
(D) None of these
17. All else being equal, which of the following will increase a company's current ratio?  
(A) An increase in accounts receivable. (B) An increase in accounts payable.  
(C) An increase in net fixed assets. (D) None of these
18. What is the primary purpose of calculating the cost of capital for a firm?  
(A) To determine the minimum return a firm must earn to satisfy its investors  
(B) To determine the minimum return required for a project to break even  
(C) To decide the optimal mix of debt and equity in the capital structure  
(D) None of these
19. Which of the following best describes the concept of "succession planning" in human resource management?  
(A) A strategy to fill vacancies by recruiting external candidates only  
(B) A formal process to identify and develop internal employees for future leadership roles  
(C) A method to track employee performance on a daily basis  
(D) None of these
20. Which of the following HRM practices is most likely to increase "employee engagement"?  
(A) Regularly monitoring and controlling employees' work activities  
(B) Encouraging open communication and providing opportunities for personal growth and development  
(C) Focusing on high turnover rates and reducing employee benefits  
(D) None of these

## \*\*\*\*\* PART-II

- NOTE:** (i) Part-II is to be attempted on the separate Answer Book.  
(ii) Attempt **ONLY FOUR** questions from PART-II. ALL questions carry **EQUAL** marks.  
(iii) All the parts (if any) of each Question must be attempted at one place instead of at different places.  
(iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q. Paper.  
(v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.  
(vi) Extra attempt of any question or any part of the question will not be considered.

- Q. No. 2.** Linda Manufacturing Company is considering the purchase of a new high-speed widget grinder to replace the existing grinder. The existing grinder was purchased five years ago for \$60,000 and has been depreciated under 5-year property class of MACRS (Existing grinder's current book value is zero). MACRS depreciation rates are 20%, 32%, 19.20%, 11.52%, 11.52%, and 5.76% respectively for each of the six years. The new grinder costs \$105,000 and requires \$5,000 for insurance and carriage inward. The 5-Year MACRS depreciation system is being practiced by company for all of its fixed assets. The existing grinder can be sold for \$30,000 now without any other expense (salvage value of old machine). The new grinder would provide before tax and before depreciation revenues of \$50,000 per year. The salvage value of new machine is zero and corporate tax rate is 30%. (20)

### Required:

1. Calculate after tax relevant initial, interim incremental and terminal cash flows.
2. Depict on a time-line the relevant cash flows associated with the replacement project.
3. Make a decision regarding the selection of replacement project by using, Discounted Payback Period, NPV, and MIRR, if WACC is 12% and re-investment rate is 8%.

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- Q. No. 3.** In the context of digital transformation, how have advancements in artificial intelligence, big data analytics, and machine learning transformed customer targeting and personalization in marketing? Discuss the implications of these technologies for improving customer experience and increasing conversion rates. Include examples of companies using these technologies to enhance their marketing efforts. (20)
- Q. No. 4.** Compare and contrast various inventory management models (e.g., EOQ, JIT, and ABC analysis) in terms of their suitability for different types of businesses (e.g., high-demand consumer goods vs. specialized industrial products). How do inventory optimization techniques influence cash flow, service levels, and production scheduling? (20)
- Q. No. 5.** HR professionals often face the dilemma of balancing business interests with ethical considerations. Consider a situation where HR has to choose between implementing a cost-saving policy (such as reducing benefits) that benefits the organization financially, but negatively impacts employee morale. How should HR approach this decision ethically? (20)
- Q. No. 6.** Describe the key strategies that management can use to successfully manage change in an organization while ensuring that employee motivation remains high. How can HR align motivational theories with change management practices to minimize resistance and foster engagement? (20)
- Q. No. 7.** Offer some reasons why U.S. or European firms might prefer to engage in direct foreign investment (DFI) in Pakistan rather than Afghanistan. Elaborate your answer with the help of trade barriers and motives of FDI. (20)
- Q. No. 8.** Analyze the role of Integrated Marketing Communication in promoting sustainable business practices and green marketing in today's resource conserve economic systems. How can IMC help businesses communicate their commitment to sustainability while avoiding greenwashing? (20)

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